



PURCHASING ITEM
FOR
COUNCIL AGENDA

1. Agenda Item Number:

83

2. Council Meeting Date:
September 11, 2014

TO: MAYOR & COUNCIL

3. Date Prepared: August 25, 2014

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. **SUBJECT:** Emergency purchase of hydrochloric acid for the Ocotillo Brine Reduction Facility.

6. **RECOMMENDATION:** Staff recommends City Council approve the emergency purchase of hydrochloric acid for the Ocotillo Brine Reduction Facility, in an estimated amount of \$1,000,000.

7. **HISTORICAL BACKGROUND/DISCUSSION:** On June 26, 2014, City Council approved Agreement No. MU4-885-3350 for the purchase of water treatment, wastewater treatment, and swimming pool chemicals, to various suppliers for one-year. Design Engineers' initial estimate was 140,000 gallons, per year, prior to startup. It is now estimated that the Ocotillo Brine Reduction Facility (OBRF) will require 500,000 gallons per year. In addition to increased demand at the OBRF, there is a nationwide shortage of hydrochloric acid due to two major chemical plants being off-line and an increased industry demand. The contracted suppliers will provide 140,000 gallons during the contract period, but are unable to supply any more. Price will vary due to supply and demand. The OBRF requires two tanker truck loads of hydrochloric acid, per week, and cannot function without this chemical.

The cost for this purchase will be reimbursed by Intel.

8. **EVALUATION PROCESS:** Based on the increased demand and the nationwide shortage, Staff believes the best way to ensure adequate supply is to purchase hydrochloric acid on the open market. Staff recommends City Council approve emergency purchases of hydrochloric acid on the open market, and authorize Staff to waive the bid process.

9. **FINANCIAL IMPLICATIONS:**

Costs: \$1,000,000
Savings: N/A
Long Term Costs: N/A

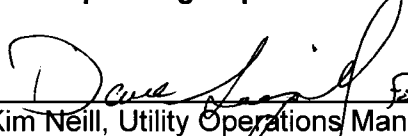
Fund Source:

Acct. No.:	Fund Name:	Program Name:	CIP Funded:	Amount:
616.3930.5318.0000	VW Ind. Treatment	Chemicals	No	\$1,000,000

10. **PROPOSED MOTION:** Move City Council approve the emergency purchase of hydrochloric acid for the Ocotillo Brine Reduction Facility, in an estimated amount of \$1,000,000.

APPROVALS

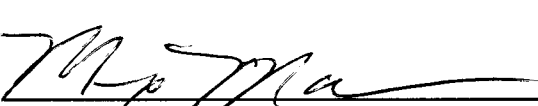
11. Requesting Department


Kim Neill, Utility Operations Manager

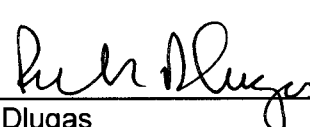
13. Department Head


Dave Siegel, Municipal Utilities Director

12. Procurement Officer


Mike Mandt, CPPB

14. City Manager


Rich Dlugas